

LOCAL GOVERNMENT SERIES

LOCAL GOVERNMENT IN URBAN SOUTH AFRICA

A NORMATIVE APPROACH

Simon Bekker & Anthea Jeffery

Working Paper No. 1

CENTRE FOR SOCIAL AND DEVELOPMENT STUDIES

**LOCAL GOVERNMENT IN URBAN SOUTH AFRICA:
A NORMATIVE APPROACH**

Simon Bekker and Anthea Jeffery

University of Natal
Centre for Social and Development Studies
King George V Avenue
Durban

1989

Local Government Working Paper No. 1

Local Government Working Paper Series

The Centre for Social and Development Studies launched a Local Government Working Paper Series in 1989. This series aims to identify and analyse pertinent issues in the fields of local government, local administration, and intergovernmental relations so as to contribute to the debate on development and transformation in contemporary South Africa.

ISBN NO: 0-86980-675-0

Simon Bekker is director of CSDS and has also built up expertise in the subject of local government while employed by the Urban Foundation from 1984 to 1986.

Anthea Jeffery studied law at the Universities of the Witwatersrand, Cambridge and London. She holds a Ph.D from London University and has lectured at the Universities of Natal and the Witwatersrand. She built up substantial expertise in the subject of local government while she was employed by the Urban Foundation from 1985 to 1987. She is presently a research consultant based within a closed corporation.

Finances from the HSRC are gratefully acknowledged. Opinions expressed in this paper are those of the authors.

LOCAL GOVERNMENT IN URBAN SOUTH AFRICA

A NORMATIVE APPROACH

1. THE ROLE AND VALUES OF LOCAL GOVERNMENT

The role of local government is to provide a mechanism for the promotion of three fundamental values. These are:

- * **liberty:** as local government is a vehicle for dispersing political power and catering for local variations;
- * **participation:** as local government extends choice and individual involvement in the democratic process; and
- * **efficiency:** as local government - with its greater sensitivity to local conditions - enables the matching of services to the needs and wishes of local communities (11:6).

Local government is most commonly associated, however, with the last of these three values. Hence, its function is often primarily seen as the provision, within a given area, of locality-bound services ranging from housing to refuse-removal.

Its role in this regard is particularly important in dense urban areas, where agglomeration generates particular challenges for service-delivery. For, to take but one example, "(s)anitation methods tolerable in rural areas are a cholera hazard in a densely packed town" (12:2).

Local government is intrinsically well-suited to meet local service-needs because of its greater closeness and cohesiveness to the community it serves. "No central government... can effectively decide what is to be done in all spheres of public policy (especially at the local level), nor can it implement these policies and programmes efficiently in all areas" (6:4).

The strength, therefore, of local government is that it is inherently more sensitive to the service needs and priorities of its local community. Moreover, it is

considered fitting that decisions regarding local service-provision should be taken by the people it is intended to benefit.

However, local government cannot function effectively - let alone meet the challenge arising from urban agglomeration - unless two fundamental prerequisites are met. The first is that local government must be perceived as **legitimate**, in the sense of enjoying broad political acceptability, especially in the eyes of the community it serves. The second is that local government must be **viable**, meaning that it must have at its disposal adequate resources - both human and financial - to enable the efficient discharge of its functions.

2. THE CHALLENGE POSED BY URBANISATION IN SOUTH AFRICA TODAY

Urbanisation is inevitable in South Africa today. It is a process flowing from industrialisation and mechanisation and, driven as it is by these powerful economic forces, has a momentum which cannot be stopped (30:1).

This reality has recently been recognised by the government, resulting in the formal abolition of influx control and an apparent new commitment by the state to the development of a positive urbanisation strategy (25, 27).

Demographic evidence reveals that the white, coloured and Indian population groups are already substantially urbanised (25). The black population, by contrast, is only about 50 percent urbanised (32).

Accordingly, the urbanisation of the black community is projected to be particularly rapid in the years which lie ahead. Indeed, it has been predicted that the urban black population will double by the year 2000 (32).

Provided there is a proper planning for, and management of, the urbanisation process, this prospect should not be feared. South African cities are yet small compared to many Third World conurbations. Moreover, international evidence reveals that cities have the potential - if appropriate policies are applied - to function as powerful engines for national development and economic growth (14:261).

However, the challenge posed by urbanisation - especially in South Africa - is also very real. Already, the shortage of available land, housing, infrastructure and urban facilities for the black community is acute (13). There is an urgent need to initiate a dynamic service-delivery process, capable of meeting not only the present backlog but also the future scale of need. And local government has a vital role to play in this regard.

3. THE PRESENT STRUCTURE OF LOCAL GOVERNMENT IN SOUTH AFRICA

Historically, local government has been the responsibility of white city and town councils, acting as "guardians" of the urban areas demarcated for other population groups. It has thus been structured along racial lines.

White municipalities have followed the British model and enjoy considerable autonomy, within the limits of the powers accorded them and subject to the control of provincial authorities and the central state.

Coloured and Indian management (or local affairs) committees are primarily advisory bodies (to "parent" white municipalities) and have little decision-making powers. The Promotion of Local Government Affairs Act, 1983, enables such committees to assume full autonomy (including responsibility for township development), but autonomy has generally been rejected on the basis that it implies acceptance of racial separation in local government - a principle to which the majority of management committees are opposed.

Black local government can only be understood by reference to developments both within and outside the homelands.

Within the homelands (dependent and independent), a fundamental distinction must be drawn between urban and rural areas. Urban "local authorities" are established predominantly in terms of proclamation R293 of 1962, which provides for the establishment of township councils, which are formally responsible, inter alia, for township layout and the provision and control of accommodation. Responsibility for the development and administration of most R293 towns has formally passed to the various homeland governments. However, the Department of Development Aid, in dependent homelands, shares responsibility for one or

other of these functions in a number of towns, and has wide-ranging control over finance, setting uniform tariffs for municipal services for all R293 towns.

In rural areas, "local government" was created by the Black Authorities Act, 1951, which provides for a pyramidal structure of regional, community and tribal authorities. The function of regional authorities is to advise homeland governments on matters of general interest, such as the development of physical infrastructure within their areas of jurisdiction. Tribal authorities, comprising the local chief, his headmen and nominees, administer the affairs of the tribe. Community authorities cater for the situation where either two or more small tribes live side-by-side or there is no defined tribal structure, and partly comprise elected councillors and partly appointed tribal representatives.

With limited exceptions, none of the institutions presently operative in homelands can be regarded as constituting local "government", given their limited functions and essentially agency powers, as well as their financial dependence on the homeland governments and central state.

Outside the homelands, black local government is a recent innovation. Prior to the Black Local Authorities Act, 1982, such institutions as existed - with the exception of the larger and wealthier Community Councils - possessed essentially advisory powers to superior institutions: initially white "parent" municipalities and, from 1971, the administration, later development, boards (4).

With the introduction of the 1982 Act, black local authorities were thrust into autonomy, with minimal experience and entirely inadequate financial resources. On paper, however, they have been granted powers at least equivalent to those of white municipalities, including - under amending legislation of 1986 - the primary responsibility for township development. Accordingly, they have a particularly important role to play in meeting the challenge of urbanisation. At the same time, however, it is clear that black local government (as further described in due course) is increasingly in crisis: a reality which raises profound questions as to its capacity to act effectively in this regard.

The historical evolution of local government along racially separate lines has been further entrenched by the Republic of South Africa Constitution Act of 1983. This established the principle of "own affairs": matters of particular cultural sensitivity,

to be decided by the population group concerned; and "general affairs": matters of importance to all population groups, to be decided jointly. It further identified local government, with the context of this primary distinction, as an "own affair".

A recent innovation in the structure of local government has been the introduction of Regional Services Councils (RSCs). These are intended to act as an extension of existing third-tier institutions and are responsible for "general affairs": the bulk (or "wholesale") supply of hard services (such as water, electricity, sewerage, transport and planning) to the white, coloured, Indian and black local bodies which are their constituent elements. The latter, known as primary local authorities, remain responsible for "own affairs": particularly the reticulation (or "retailing") of services to the household level.

RSCs are intended to fulfill a three-fold function. According to the Department of Constitutional Development and Planning, they will promote efficiency and cost-effectiveness through the rationalisation of service-provision; introduce a forum for multi-racial decision-making (thus paving the way for further reform "from the bottom up"); and generate substantial revenue (from two new taxes, to be levied on salaries turnover) for the development of infrastructure in the areas of greatest need: mainly the black townships (5).

A number of reasons underlie their introduction. Firstly, they provide an alternative mechanism for increasing the revenue available for infrastructural development in black townships, in contrast to the "transfer payments" recommended by the Browne enquiry into local government finance (24). Secondly, they extend the principle of "own and general affairs" from the national tier (where it underpins the tricameral constitution) and the provincial level (where it was introduced in July 1986 with the introduction of multi-racial executives responsible for general affairs), to the third tier of government. And, thirdly - a reason perhaps more recently appreciated - they provide umbrella institutions at the local level, intended to strengthen legitimacy and viability, and thus to enhance the capacity of local government to meet the challenges of rapid urban growth. It is, however, questionable - given wide-ranging dissension regarding these new structures - whether they will attain the latter of these goals (5).

4. **THE CRISIS IN BLACK LOCAL GOVERNMENT AND THE URGENT NEED FOR TRANSFORMATION TO MEET THE CHALLENGE OF URBANISATION**

Black local government has had a chequered history, and its legitimacy and viability have long been regarded as suspect by the community it is intended to serve.

Apart from the homeland institutions, with their limited functions and representative character, the earlier forms of urban authority in "white" South Africa were largely advisory and were clearly regarded as inadequate by township residents, who pressed instead for representation on white municipalities (4).

The introduction of Community Councils in 1977, under the tutelage of the despised administration boards, compounded the position. This was especially so when the councils - under pressure from the boards to attain financial self-sufficiency, at least on current account - boosted township rents without concomitant improvement in highly inadequate service-provision (4).

Hence, the violence which flared at Sebokeng in September 1984 should be seen as the product of a process of intensifying protest. It marked, however, a milestone in the rejection of black local government in certain regions of the country - especially the PWV metropolitan region and Eastern Cape - and has raised fundamental misgivings as to its capacity within these areas, to attain either legitimacy or viability.

The parameters of the increasing crisis in black local government-within the regions identified - are to be seen in a variety of factors. These include physical attack on councillors and council property by angry township residents; the collapse of elected councils; the growth of alternate structures, in the form of street and area committees; and the spread, to some 54 townships, of a "rent" boycott estimated in 1987 to have cost the state, directly and indirectly, approximately R300 million in lost revenue (33). In addition, allegations of corruption on the part of councillors (and some officials) have been the focus of a number of recent criminal proceedings (29).

These factors reflect a deeper reality. Black local government suffers from a fundamental lack of both legitimacy and viability. The reasons are mutually reinforcing and are essentially three-fold.

First, black local government is rejected as an apartheid institution. It was particularly discredited by the state's explanation, in 1983, that blacks had been excluded from the new tricameral dispensation because townships in "white" South Africa were in the process of receiving new local authorities with considerably extended powers (28:91). It seems clear, moreover, that as long as the black community remain excluded from effective participation at the national level, third-tier institutions will continue to be regarded with cynicism and suspicion.

Secondly, black local authorities are unable to attract into their service the best-educated in the black community, so that many councillors and officials are underequipped to perform the task at hand.

Thirdly, the revenue-base of black local government (effectively limited to rents and service charges, by virtue of restrictions on land ownership only recently removed) is totally inadequate. This is especially so given the scale of need which has been engendered by historical neglect (implicit in the "temporary sojourner" policy) and is now exacerbated by the demands of rapid urban growth.

Given the reality of rapid urbanisation - the expectation that the urban black population will double by the year 2000 - it is vital that the system of local government be fundamentally transformed, so as to give to it the legitimacy and viability essential to effective functioning.

5. **THE PROCESS OF TRANSFORMATION**

The importance of an appropriate process for the transformation of local government cannot be overstressed. Solutions to the complex problems of local government must not be prescribed. They must instead evolve. The guidance of technical experts, both here and overseas (who can attest to the lessons learnt in overcoming many common problems) is crucial. Fundamentally, however, solutions must be developed through the participation of the communities which local government serves.

Accordingly, the recommendations as to the transformation which follow must be seen as merely tentative: as **highlighting for consideration and further testing with**

the actors and communities concerned some options which have proved helpful in international experience and which - with due regard for South Africa's unique conditions - may be worthwhile to take into account.

In the analyses which follow, it is proposed to cite contemporary stances and policies of important South African opposition groupings, as ascertained through an extensive recent survey of the viewpoints of parliamentary and extra-parliamentary organisations ranging from the Conservative Party and Herstigte Nasionale Party to the United Democratic Front and the Azanian Peoples' Organisation (21). The purpose of such reference is to provide some indication of the local government options these organisations would (or would not) support. Though these views are not presented as prerequisites or "non-negotiables", it is clear that they will play an important role in the process of developing acceptable and effective local government institutions across the country.

6. LOCAL GOVERNMENT ANALYSED IN THE CONTEXT OF SEVEN DIMENSIONS

Given the complexity of the problems at issue, it is helpful to analyse local government in the context of seven distinct dimensions.

These comprise the extent of devolution appropriate, the role of (imposed) ethnicity in local government structuring, forms of voting and representation, local government finance, training for local government representatives and officials, the optimum management of local government (so as to strengthen its institutional capacity), and a "menu of city charters", an American expression pointing to the need to develop flexible local government structures adapted to local conditions (rather than one uniform structure rigidly imposed country-wide).

All these dimensions are important. Each should accordingly be taken into account in considering the transformation of local government necessary to enable it to manage, in a constructive manner, the demands of urbanisation. However, within the limits of this article, it is impossible to touch on more than four. Accordingly, it is intended to deal in turn with devolution, ethnicity, finance and the menu of city charters.

With regard to the menu, however, attention will be paid only to appropriate local government structures and service-delivery mechanisms in informal settlements: new residential areas fast developing in and around existing metropolitan and large urban areas in South Africa. This phenomenon, which is directly related to the rapid process of urbanisation in the country, is one of increasing importance.

7. THE EXTENT OF DEVOLUTION APPROPRIATE

Devolution (or decentralisation) must be carefully distinguished from deconcentration. Devolution connotes the grant of discretionary authority to a representative (generally elected) subordinate tier of government, to make and implement policy within its sphere of jurisdiction. Deconcentration, by contrast, connotes the assignment to local institutions of mandated capacity to act within certain specified spheres, as agent of the central state (22:1).

At present, white local authorities enjoy considerable devolved discretionary authority: subject, however, to extensive powers of control vested in central and provincial tiers. Coloured and Indian Management Committees, in general, are advisory bodies. In the homelands, local institutions have limited capacity and operate effectively as agents of homeland governments or the Department of Development Aid; whilst, in "white" South Africa, black local authorities (given their inadequate human and financial resources) have power more on paper than in practice.

In addition, the new RSCs are, in terms of existing legislation, subject to wide-ranging control by provincial administrators and central government ministers, especially as regards their demarcation, assumption of functions, imposition of levies and, in certain circumstances - where the appeal procedure is invoked - decision-making on the allocation of revenue for infrastructural development in areas of "greatest need".

Furthermore, it is widely regarded that the real locus of decision-making on infrastructural development has shifted, since the second State of Emergency, away from formal local government structures to the Joint Management Centres (and their sub-units) which are ultimately responsible to the State Security Council, through the highly centralised National Security Management System (3).

Since the enactment of the 1983 Constitution, the government has committed itself, on a number of occasions, to the maximum devolution of power and decentralisation of administrative authority (26). However, largely because of ongoing unrest (especially since 1984) and the perceived need to develop a "total strategy" against the "total onslaught" the country is experiencing, recent reforms - such as the introduction of RSCs and the new provincial executives - show (despite the grant of certain additional functions to these third and second tier institutions) a high measure of continuing centralised control.

The question which thus arises is whether the present extensive and continuing control over local government is appropriate to enable third-tier institutions in South Africa to meet the challenges of rapid urban growth.

International evidence - with its focus, since the 1970s, on "development from below" - stresses the importance of devolution as a means of overcoming not only the tyranny but also the inefficiency of centralised planning and control, and of accommodating the differing needs of highly diversified communities within a state (22, 12:5).

Furthermore, the fundamental values underpinning local government - the promotion of liberty, participation and efficiency, as earlier identified - suggest the need for extensive devolution. So too does the principle of subsidiarity, in terms of which "decisions should be taken as close to the people as possible" (23:6).

In addition, it is clear from the survey of opposition stances earlier referred to (21), that there is wide support within the organisations (with the exception of the right wing parties) for the maximum devolution of political power. Thus, the view has been expressed that "power should be devolved as far down as possible to community level to accommodate Third World requirements (to which First World officials are often blind)"; and that "ideally, only issues such as tax, defence, currency and citizenship should be the preserve of central authorities" (21:63, 73).

If local government is to cope effectively with the demands and challenges of rapid urbanisation, it is vital that it be given greater power and autonomy: the discretion to make its own decisions within its spheres of jurisdiction. This is particularly important in the interests of efficiency: in matching the delivery of infrastructure,

facilities and services to the local needs and priorities occasioned by the urbanisation process. It is also particularly vital, in the current climate of increasing polarisation, that communities should feel a real sense of participation in decisions having direct impact on their lives.

It is accordingly proposed that local government be given increased autonomy (with responsibility for all functions other than those of clear first or second-tier concern); that the ultra vires rule be replaced by a principle according local government a general competence (11:12); that central and provincial government control be limited to the provision of broad parameters for the development of policy in areas such as housing, education and social welfare (where the maintenance of appropriate levels of service-delivery has critical importance for society at large) (12: Part III); and that the institutional capacity of local government be strengthened, especially through increased revenue (as further explained below) and the provision of appropriate training.

THE ROLE OF ETHNICITY IN LOCAL GOVERNMENT

Local government, as earlier indicated, has evolved along racial lines, with separate institutions for each population group. The introduction of the 1983 Constitution has further entrenched the role of statutorily-defined ethnic differentiation, through the introduction of the "own and general affairs" dichotomy and the identification of local government as an "own affair".

The role thus formally accorded ethnic differentiation in constituting local government is unique to South Africa. It is also highly controversial, not only because of its perceived discriminatory nature but also because of the "quadruplication" and concomitant waste of scarce resources (both human and financial) which it entails.

In addition, it is clear (from the same survey of opposition viewpoints), that it generates considerable disquiet among both parliamentary and extra-parliamentary political groupings. Those working "within the system", with the goal of reforming it "from the inside" (such as the Labour Party, the National Peoples' Party and the Urban Councils' Association of South Africa) are fundamentally opposed to statutorily imposed ethnic differentiation but also

acknowledge the difficulty of introducing a non-racial form of local government in the face of white fear, and are therefore prepared to accept the formal role of ethnicity in local government composition as a short-term expedient. The Progressive Federal Party and the extra-parliamentary organisations interviewed (Inkatha, the UDF and AZAPO) are adamant that statutorily-imposed ethnic differentiation, as now further formalised in the distinction between "own and general affairs", is totally unacceptable and compounds the illegitimacy of the present structure of local government. Indeed, the view has been expressed that the dichotomy is intended to modernise (and thus perpetuate) Verwoerdian apartheid and is accordingly "evil in intent, conception and practice" (5:53).

Among opposition groupings, accordingly, it is only the right-wing parties which support the formal role of statutorily imposed ethnic differentiation (and which envisage its continuation along traditional Verwoerdian lines, rather than in terms of the "own and general affairs" distinction of the tricameral Constitution, which these organisations fundamentally reject) (5:52).

The government's willingness to move away, in the foreseeable future, from the principle of own and general affairs is uncertain. The distinction is a cornerstone of the present constitutional dispensation and underpins not only the tricameral parliament but also the new system of provincial government as well as the RSCs. Recent statements that the government - in its efforts to initiate negotiation through the statutory National Council - is prepared to adopt a more flexible approach in general (10), may be taken as some indication that the principle might be modified in future: but this is far from certain.

The issue is clearly not an easy one. A long history as well as a substantial measure of fear underlie the present racial structure of local government. These factors are not easily overcome. However, it must also be acknowledged that racial differentiation fundamentally undermines legitimacy (with profound implications, in turn, for viability) and that these are prerequisites to the effective functioning of local government - and thus to the country's capacity to meet the challenge of the rapid urban growth which lies inevitably ahead.

9. FINANCE FOR LOCAL GOVERNMENT

Local government finance is a particularly controversial and crucial issue. It is critical to viability and, by inference, to legitimacy. For it is clear that one of the

key factors presently undermining the legitimacy of black local authorities is that they are widely perceived as lacking the resources to meet the needs of their communities.

Local government finance also raised fundamental dilemmas - not yet adequately resolved in any country in the world (12:1) - and significantly exacerbated in South Africa by its apartheid policies.

At present, the principal sources of revenue for white municipalities (and the coloured and Indian management committees for which they are responsible) are rates, user charges, loans and central government grants.

Rates constitute a substantial source of income, but suffer from the defect of inelasticity, as tax-yield does not increase automatically with inflation (unlike revenue from income and sales tax) but depends both on periodic revaluation and the political will to increase the percentage-charge (12:Ch 5).

Notwithstanding the limitations of this revenue source, it plays a vital role in maintaining the viability of white municipalities; and the fact that black local authorities are largely unable to tap this resource (due to limited incidence of home-ownership in townships in "white" South Africa) is a fundamental reason for the financial difficulties facing black local authorities. It underlies the sharp increases in rents and user charges which black local authorities (under pressure to attain self-sufficiency on current account) have felt compelled to introduce in recent years (4, 9:3-5) and which has now substantially backfired by generating a "rent" boycott, which (though clearly politically motivated to a considerable extent) has also been fuelled by the sheer inability of township residents to "foot the bill", especially in an area of low economic growth, double-digit inflation and rising unemployment (9:3).

The direct revenue sources available to local government at present (in the form of rates and user charges) are thus highly inadequate: especially for black local authorities.

This is clearly one of the major reasons underlying the introduction of the RSCs, with their new levies. The government apparently envisages that these levies (to

be charged on salaries and turnover) will play a significant part in resolving the problem; but it is questionable whether this will prove the case in practice (8).

International experience, moreover, makes it clear that local government is most viable and effective where it has access, in addition to rates, to at least one other buoyant and efficient revenue source: either income tax (particularly useful in countries with a high measure of formal salaried employment) or some form of indirect tax (for example, on sales, commodities or minerals) these being particularly appropriate in Third World economies, characterised by a high level of informal commercial activity (12:57, Chs 7-8).

A further source of revenue for South African local authorities is central government allocations. These most commonly take the form of specific grants, in terms of which the funds are earmarked for expenditure on specified local government services. There is an increasing trend, however, for specific grants to be accompanied by detailed directives on expenditure (19), thus undermining local autonomy as well as efficiency. International evidence suggests that local government operates more effectively - especially in matching service-provision to local needs and priorities - where central government allocations are general and are designed to confer a standardised capacity for expenditure on local authorities, without prescribing the functions to which funds should be applied (12:142).

This issue raises a further important question: the extent to which local government should be expected to be "self-sufficient". International evidence makes clear that self-sufficiency is generally impossible to attain in circumstances where central government retains for itself high-yield revenue sources (such as income and sales tax); and that, accordingly, most third tier institutions receive substantial allocations from central government; based on either the "need" or "derivation" principles (12:133).

Within South Africa, however, the central state has stressed the imperative for local authorities to become self-sufficient, at least on current account (9:4), a factor which has contributed in substantial measure to the present crisis in black local government (4).

The value of self-sufficiency, in circumstances in which it is realistically attainable, is recognised by all opposition groups within the country (21:48-63). However,

(with the exception of the right-wing parties), they also stress the need, in present circumstances, for substantial central government allocations to black residential areas to compensate for the historical deprivation of the past and to stimulate the development of an adequate revenue-base (through the extension of home-ownership, introduction of infrastructure and generation of industrial and commercial centres) (21:55-63).

"Redistribution", in this form, is seen by these organisations as essentially a central government responsibility. In addition, it is generally accepted that it should be directed to local authorities (to facilitate their provision of services and infrastructure) rather than to objects (such as the subsidisation of transport) or to individuals in need (21:55-63).

It is also emphasised, especially by extra-parliamentary opposition groups, that the principle of racially separate local government is intrinsically wasteful and inefficient; and that an effective re-ordering of local government finance requires the introduction of a unified, non-racial system.

A particularly important specific issue, in the context of rapid urbanisation, is the inevitable "lag" between the demand for increased services and infrastructure and the development of the revenue base necessary to finance these. A solution particularly successful in Colombia has been the introduction of valorisation tax, levied on the increased value of land - resultant from infrastructural development - on the urban perimeter (12:48-49). However, the viability of this approach in South Africa depends in large measure on the amount of privately-owned land made available for urban expansion.

The issue of local government finance is particularly complex. Accordingly, it is possible (especially within the limits of this article) to make only the most tentative of recommendations into possible approaches to which, at minimum, further consideration should be given.

The crucial need is to strengthen the financial resources and autonomy of local government, so as to enable it to play a meaningful and effective role in the infrastructural and economic development necessitated by rapid urbanisation. At minimum, this should be done by giving local government access to at least one other buoyant and efficient revenue source; and by increasing central government

allocations in the form of general (instead of specific) grants, and ensuring that these are distributed primarily on the basis of "need" rather than "derivation".

10. THE DEVELOPMENT OF EFFECTIVE LOCAL GOVERNMENT IN INFORMAL SETTLEMENTS

Rapid urbanisation is likely to increase already extensive informal (or "shack") settlement. Distinguishing characteristics of such settlements are commonly "(their) establishment on vacant land, the absence of formal planning, spontaneous development and growth, dwellings of poor standard...and generally a lack of necessary services and facilities, especially clean water" (16:3).

To date - though accurate figures are notoriously difficult to establish - it is clear that at least 2 million people, unable to find shelter within existing overcrowded townships, are living in informal settlements. In the Durban area alone, the best documented in this regard, the total living in such settlements is over 1,3 million (constituting at least one-third of the city's entire population). In addition, there are substantial informal settlements on the outskirts of Pretoria, at Soweto-by-the-Sea (in Port Elizabeth) and at Crossroads (in Cape Town) as well as many smaller camps across the country (2).

Service delivery and infrastructure within these areas is minimal. Housing is informal and self-built, frequently from crates and corrugated iron. Local government is rudimentary and generally informal; and reveals a mix of traditional and quasi-traditional authorities (especially in the Durban area) operating in informal relationship with a range of community-based organisations and/or political groupings (18). In some instances, power is wielded by local "Big Men", whose authority is allegedly maintained through coercion, coupled with exclusive control over the limited infrastructure and services available; and who have little interest in facilitating upgrading and development, as this would undermine their power-base.

The development of local government services and infrastructure, as well as representative institutions, within these areas is thus a daunting task: but one which must nevertheless be tackled with urgency and commitment.

The development of representative institutions is often complicated, as further explained below, by the perceived illegitimacy of adjacent local authorities - which militates against simple extension of the existing formal system as the solution. In addition, it is clear that upgrading and development of informal settlements requires specialised experience, skills and personal attributes, which local authorities have not been called upon to exercise in the past and are unlikely to possess. At the same time, international experience makes clear that central government is also not the appropriate developmental agency in circumstances such as these, as in-depth knowledge of local needs and priorities is a prerequisite to effective planning and implementation.

The government's policy in relation to these settlements - especially in the context of RSCs - remains uncertain. In principle, it is acknowledged that those which fall outside the jurisdiction of existing local authorities may be entitled to representation, in their own right, on RSCs (20). However, no attempt has yet been made in demarcating RSCs to include informal settlement representatives as members of these councils.

Among opposition groupings, there is clear support (with the exception of the right-wing parties (21:32-33) for the recognition of informal settlements and the development within them of effective local government services and institutions. The development of essential infrastructure and services is regarded as primarily the responsibility of adjacent local authorities (in the interests of local autonomy and efficiency), whilst the central state - given the scale of need - is considered under obligation to provide financial assistance (21:29-38).

As regards the development of representative institutions, there is a sharp divergence in view (between parliamentary and extra-parliamentary opposition groups) as to whether informal settlements should simply be incorporated into existing local government structures. Extra-parliamentary groups, whilst supporting the principle of representation on third-tier institutions, warn also of the illegitimacy of the present system of black local government and the negative effects of undermining existing community leadership (21:29-38).

Given these complexities - coupled with the urgent need for action to ameliorate the often disparate conditions in these settlements - it is accordingly proposed that consideration be given to the role of a technical agent (either private or para-

statal) to cater, in the short-term, for essential development; and to do so on the basis of specialist knowledge and skills, and in close cooperation with the communities concerned. This would help address the most immediate of basic needs - for shelter, infrastructure and services - whilst leaving complex issues of the development of fully democratic institutions to resolution in due course.

In principle, informal settlements should undoubtedly be treated as an integral part of the urban environment in which they arise and should be included within its local government structure. This, in turn, may require - especially in large metropolitan conurbations - the further development of present institutions to accommodate either a fourth tier (in the form of neighbourhood committees (31:5)) or special representation for particular interest groups (22:62, 69).

11. CONCLUSION

Within the limits of this article, it has been possible to address - and that merely in outline form - only four of the seven dimensions which should be taken into account in transforming local government.

The issues are complex, the need for action urgent.

It is accordingly imperative to deepen present understanding, with the aid of local and international expertise and, especially, to launch the necessary process of transformation by initiating in-depth discussion and full consultation with all interested actors, particularly the communities which local government is intended to serve. At the same time, it must also be acknowledged that many key actors, especially in the black community, believe that national reform comes first on the agenda and that no significant transformation of local structures can be achieved whilst "the heart of apartheid still beats in the body politic" (17).

It is also particularly important - throughout the process of transition - to avoid any further discrediting (especially in the black community) of third tier institutions. For, should this occur, the opportunity to realise the intrinsic values of local government - liberty, participation and efficiency - may be irreparably lost.

BIBLIOGRAPHY

1. BARNETT, R. 1987. *Local Government Finance : Issues and a Comparative Study*, unpublished Memorandum, The Urban Foundation, 1987.
2. BEETGE, M. and ADLER, J. 1987. *Aspects of Homelessness on the Witwatersrand*, unpublished paper presented to UNISA (Insitute of Foreign and Comparative Law) workshop on "Reforming the Law of Informal Settlements (Squatting)".
3. BEKKER, S. 1987. 'Plaaslike Bestuur in Suid-Afrika', Inaugural Address, Department of Sociology, University of South Africa.
4. BEKKER, S. and HUMPHRIES, R. 1984. *From Control to Confusion: The Changing Role of the Administration Boards in South Africa, 1971-1983*, Schuter and Shooter.
5. BEKKER, S., LEPERE, G. and TOMLINSON, M. 1986. "Dissension over Regional Services Council: The Stances of Opposition Groupings to Local Government Reform", 12 2 *Social Dynamics*, pp. 48-63.
6. BOWMAN, M. and HAMPTON, W., eds. 1983. *Local Democracies: A Study in Comparative Local Government*, Longman Cheshire.
7. DIE BURGER, 27 Mei 1986.
8. BUSINESS DAY, 18 May 1987.
9. JEREMY, S *et al.* 1987. *Rent Boycotts and the Urban Political Economy*, unpublished paper presented to the History Workshop, University of Witwatersrand.
10. THE CITIZEN, 26 June 1987.
11. DAVEY, K.J. 1986. "A Future for Local Government: An Overview", in Davis H, ed., *The Future Role and Organisation of Local Government*, The Institute of Local Government, Birmingham.
12. DAVEY, K.J. 1983. *Financing Regional Government: International Practices and their Relevance to the Third World*, John Wiley & Sons Ltd.
13. DE VOS, T.J. 1987. "Housing Requirements and Affordability with Special Reference to Cape Town", Building Economics Division, NBRI, CSIR, Pretoria.
14. FINANCE WEEK, October 23-29, 1986.
15. FOURIE, C. 1986. *The Impact of Urbanisation on Land Tenure and Administration in the Peri-Urban Area Around Durban*, unpublished paper, The Inkatha Institute.
16. HAARHOFF, E. 1987. *Informal Settlement in the Durban Metropolitan Region: Demographic Factors and Population Projections*, unpublished paper presented to UNISA (Institute of Foreign and Comparative Law) workshop on "Reforming the Law of Informal Settlements, (Squatting)".

17. HENDRICKS, C. 1987. *The Peace Initiative*, unpublished paper presented to UNISA (Department of Sociology) workshop on Negotiation and the Stances of Major Political Parties.
18. THE INKATHA INSTITUTE, 1986. *Facts about the Durban Functional Region*, unpublished Memorandum.
19. JEFFERY, A.J. 7, 15 and 27 July 1985. Interviews with senior local government officials in Cape Town, Johannesburg and Port Elizabeth respectively.
20. JEFFERY, A.J. 12 September 1986. Personal communication from senior representative of the Department of Constitutional Development and Planning.
21. LEPERE, G. 1986. *Opposition Political Parties and Opposition Political Groups: Their Policies, Stances and Normative Preferences on Issues of Local Government*, unpublished Memorandum, The Urban Foundation.
22. MAWHOOD, P. ed., 1983. *Local Government in the Third World: The Experience of Tropical Africa*, John Wiley & Sons Ltd.
23. NORTON, A. 1986. "The Future Functions and Structure of Local Government, in David, H., ed., *The Future Role and Organisation of Local Government*, The Institute of Local Government, Birmingham.
24. REPUBLIC OF SOUTH AFRICA, 1980. Browne, *Report of the Committee of Inquiry into the Finances of Local Authorities in South Africa*. (RP 50/1980).
25. REPUBLIC OF SOUTH AFRICA, 1985. Committee for Constitutional Affairs of the President's Council, *Report on an Urbanisation Strategy for the Republic of South Africa*. (P.C. 3/1985).
26. REPUBLIC OF SOUTH AFRICA, 1985. *Constitution and System of Government*. Reprint from Official Yearbook of the Republic of South Africa.
27. REPUBLIC OF SOUTH AFRICA, 1986. *White Paper on Urbanisation*, Department of Constitutional Development and Planning.
28. SOUTH AFRICAN INSTITUTE OF RACE RELATIONS, 1983. *Annual Survey*.
29. THE SOWETAN, 27 March 1987, 9 April 1987.
30. SUTCLIFFE, M. 1987. *Case Studies in Informal Settlements in Africa, Latin America and Asia*, unpublished paper presented to UNISA (Institute of Foreign and Comparative Law) workshop on "Reforming the Law of Informal Settlements (Squatters)".
31. TAYLOR, B. 1986. *Harare*, unpublished Memorandum, The Urban Foundation.
32. URBAN FOUNDATION, 1985. *Annual Review*.
33. THE WEEKLY MAIL, 19-25 June 1987.

RELEVANT SOUTH AFRICAN STATUTES

BLACK ADMINISTRATION ACT, 38 of 1927.

BLACK AUTHORITIES ACT, 68 of 1951.

BLACK COMMUNITIES DEVELOPMENT ACT, 4 of 1984.

BLACK COMMUNITIES DEVELOPMENT AMENDMENT ACT, 71 of 1986.

BLACK HOMELANDS CONSTITUTION ACT, 21 of 1971.

BLACK LOCAL AUTHORITIES ACT, 102 of 1982.

BLACK LOCAL AUTHORITIES AMENDMENT ACT, 58 of 1986.

COMMUNITY COUNCILS ACT, 125 of 1977.

NATIVE (URBAN AREAS) ACT 21 of 1923, as amended in 1930.

PROMOTION OF LOCAL GOVERNMENT AFFAIRS ACT, 91 of 1983.

REGIONAL SERVICES COUNCILS ACT, 109 of 1985.

REGIONAL SERVICES COUNCILS AMENDMENT ACT, 78 of 1986.

REPUBLIC OF SOUTH AFRICA CONSTITUTION ACT, 110 of 1983.

URBAN BANTU COUNCILS ACT, 79 of 1961.

RECENT PUBLICATIONS

Development Studies Working Papers

17. THE PROSPECTS FOR INFORMAL SMALL BUSINESSES IN KWAMASHU. Dulcie J. Krige (1987) Working Paper No. 17.
18. PLAYING THE GAME? DESEGREGATING SOUTH AFRICAN SPORT. Douglas Booth (1988) Working Paper No. 18.

Rural Urban Studies Working Papers

4. THE ANATOMY OF RURAL BLACK POVERTY : THE CHALLENGE TO A NEW ECONOMIC ORDER. Jill Nattrass with Julian May, Dave Perkins, Alan Peters (1987) Working Paper No. 4.
5. THE HOUSEHOLD IN RURAL KWAZULU FOUNDATIONS FOR A STATISTICAL MODEL. Alan Peters (1987) Working Paper No. 5.
6. INDUSTRIAL DECENTRALISATION : EMPLOYMENT CREATION AND URBANISATION IN TRANSKEI. Neil D. Muller (1987) Working Paper No. 6.
7. DIFFERENTIATION AND INEQUALITY IN THE BANTUSTANS : EVIDENCE FROM KWAZULU. Julian May (1987) Working Paper No. 7.
8. BLACK LIBERATION POLITICS : ANALYSIS OF POLITICAL PROCESSES IN KWAZULU-NATAL. Douglas Booth (1987) Working Paper No. 8.
9. RURAL AND URBAN POVERTY AND THE MEASUREMENT OF DEVELOPMENT PERFORMANCE IN THE TRANSKEI. Neil D. Muller (1987) Working Paper No. 9. ISBN 0 86980 591 6 Pages: 36 Cost: R3,00.
10. POVERTY, MIGRATION AND UNEMPLOYMENT IN DUMISA : A RURAL AREA OF KWAZULU. Z. Mpanza and J. Nattrass (1987) Working Paper No. 10.
11. BLACK FARM LABOUR ATTITUDES AND PERCEPTIONS ON EMPLOYMENT AND MIGRATION PATTERNS IN THE NATAL MIDLANDS S.E. Stavrou (1987) Working Paper No. 11.
12. K5 - A PRELIMINARY STUDY OF AN INFORMAL RURAL SETTLEMENT S.E. Stavrou, D.Z. Mbona, X.S. Yokwe and C.F. Mbona (1987) Working Paper No. 12.
13. MEASURING THE 'SUCCESS' OF EMPLOYMENT CREATION STRATEGIES IN THE APARTHEID STATE. Douglas Booth (1988) Working Paper No. 13.
14. THE DEVELOPMENT OF CAPITALISM IN SOUTH AFRICAN AGRICULTURE : THE RESTRUCTURING OF AGRARIAN CAPITALISM AFTER 1950. S.E. Stavrou (1988) Working Paper No. 14.
15. AN INTERMEDIATE SETTLEMENT IN THE URBANISATION PROCESS: A COMPARATIVE STUDY FROM KWAZULU. Julian May (1987) Working Paper No. 15.
16. NKANDLA REVISITED: A LONGITUDINAL STUDY OF THE STRATEGIES ADOPTED TO ALLEVIATE POVERTY IN A RURAL COMMUNITY (1988) E M Ardington, Working Paper No. 16.
17. MGAGA : A SOCIO-ECONOMIC PROFILE. Nicoli Nattrass and Zamakhosi Mpanza (1988), Working Paper No. 17.
18. THE INFORMAL SECTOR : SOCIO-ECONOMIC DYNAMICS AND GROWTH IN THE GREATER DURBAN METROPOLITAN REGION. J.D. May and S.E. Stavrou (1989), Working Paper No. 18.
19. ECONOMIC AND SOCIO-LOGICAL APPROACHES TO UNEMPLOYMENT. Nicoli J Nattrass (1989), Working Paper No. 19.
20. RURAL TOWNS AND BASIC NEEDS. E M Ardington, (1989) Working Paper No. 20.

Various Publications

- G. THE UNIVERSITY OF NATAL'S COMMUNICATION WITH SECTIONS OF THE WIDER COMMUNITY - A SURVEY EVALUATION. V. Moller, L. Schlemmer and T. Coughlin, (1987).
- H. COMMUNITY REACTIONS TO THE INTRODUCTION OF AN EDUCARE PROGRAMME AT A HOME FOR BLACK AGED IN KWAMASHU. Valerie Moller
- I. THE COMMUNITY BASED APPROACH TO DEVELOPMENT: A DESCRIPTION AND ANALYSIS OF THREE RURAL COMMUNITY HEALTH PROJECTS. F J Lund (1987)

This work is licensed under a
Creative Commons
Attribution – NonCommercial - NoDerivs 3.0 Licence.

To view a copy of the licence please see:
<http://creativecommons.org/licenses/by-nc-nd/3.0/>